

Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 NSC-05 SP-02 SS-15 CIAE-00

INR-07 NSAE-00 EB-07 MC-02 AID-05 COME-00 H-02 TRSE-00

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FM AMEMBASSY ASUNCION

TO SECSTATE WASHDC PRIORITY 6736

SECDEF WASHDC PRIORITY

INFO USCINCSO PRIORITF

C O N F I D E N T I A L ASUNCION 0723

E.O. 11652: GDS

TAGS: MASS, PA

SUBJ: FY 1977 MILITARY SECURITY ASSISTANCE

REF: STATE 036160

1. EMBASSY/MILGRP SUBMIT THE FOLLOWING INFORMATION IN RESPONSE TO REF. TEL. REGARDING FY-77 GRANT MATERIEL AND SERVICES, SUM ALLOCATED TO PARAGUAY FOR THIS PURPOSE IN REF. TEL. PRECLUDES ACQUISITION OF MAJOR NEW ITEMS OF EQUIPMENT. THESE FUNDS ARE PLANNED TO BE USED FOR MAINTENANCE OF EQUIPMENT ALREADY IN PLACE AND PROCUREMENT OF FOLLOWING TYPE ITEMS THROUGH EDA (EXCESS DEFENSE ARTICLES). MODEL NUMBERS AS YET UNKNOWN.

RADIO COMMUNICATIONS EQUIPMENT
ENGINEERING EQUIPMENT (TRACTORS & GRADERS)
TACTICAL VEHICLES
MACHINE TOOLS
WEAPONS (UP TO 75MM RECOILLESS RFILES)

2. AS REGARDS APPROVED LEVEL FMS CREDIT FOR FY-77, THE FOLLOWING RESPONDS TO QUESTIONS RAISED PARAGRAPH 5 REF. TEL. IN SAME ORDER.

A. YES. INFORMATION AVAILABLE TO US INDICATES GOP
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PROBABLY WILL ACCEPT FMSCR LINE.

B. ENGINEERING ROAD EQUIPMENT \$100,000

AMMI PONTOON 60,000
PRECISION MEASURING EQUIP. LAB. 140,000
FM RADIO SYSTEM & COMM. NAV. EQUIP. 140,000
TACTICAL VEHICLES 40,000
AIRCRAFT ENGINE OVERHAUL (1) 20,000

C. YES

D. YES, THE UPGRADING OF SELECTED MILITARY UNITS IS JUSTIFIED TO COUNTER THREATS POSED BY TERRORIST GROUPS BASED IN ARGENTINA. THIS SUBJECT DISCUSSED IN DETAIL IN PARAGUAY FY-78-82 MASP INPUT DATED 6 FEB. 76.

E. PROPOSED CREDIT PROGRAM IS WHOLLY CONSISTENT WITH MATERIEL AND TRAINING US HAS FURNISHED PARAGUAY IN PAST ON GRANT BASIS. FMS CREDIT WILL PROVIDE A TRANSITION FROM GRANT AID TO FUTURE FMS CASH SALES AS PARAGUAY'S ECONOMIC CONDITION IMPROVES.

F. THE US HAS NO STRATEGIC INTEREST IN PARAGUAY IN THE MILITARY SENSE. THE LONG-STANDING US PROGRAM OF GRANT MILITARY ASSISTANCE TO PARAGUAY HAS BEEN JUSTIFIED ON POLITICAL RATHER THAN SECURITY GROUNDS, AND HAS ALMOST WHOLLY BEEN IN SUPPORT OF NATION BUILDING PROJECTS, SUCH AS ROAD CONSTRUCTION, DOMESTIC AIR TRANSPORT, ETC.

IN FACT, THIS PROGRAM HAS BEEN GREATLY APPRECIATED BY THE GOP AND HAS HAD ITS INTENDED EFFECT OF ENHANCING OUR BILATERAL INFLUENCE, WHICH IN TURN HAS PROVED VALUABLE IN ADVANCING US INTERESTS IN OTHER FIELDS. AS THE GRANT PROGRAM IN PARAGUAY IS NOW BEING PHASED OUT, FMS CREDITS WILL TO A LIMITED EXTENT HELP PRESERVE THE COOPERATIVE SPIRIT GENERATED OVER THE YEARS BY THE GRANT PROGRAM BY PROVIDING GOP WITH THE MEANS TO PROCURE US GOODS AND SUPPORT EQUIPMENT ON A CON-
CESSIONAL BASIS TO CONTINUE NATION BUILDING/CIVIC ACTION PROGRAMS.

G. PROPOSED CREDIT SALES WILL NOT AFFECT REGIONAL ARMS BALANCE OR CONTRIBUTE TO AN ARMS RACE, SINCE THE PROPOSED CREDIT SALES WILL INVOLVE MAINLY ROAD BUILDING AND OTHER NATIONAL BUILDING/CIVIC ACTION TYPE EQUIPMENT.

H. AS ONE OF THE LEAST DEVELOPED COUNTRIES IN LATIN
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AMERICA, PARAGUAY QUALIFIES IN TERMS OF NEED FOR MILITARY CREDIT ASSISTANCE.

I. THE PROPOSED CREDIT SHOULD NOT PLACE AN UNDESIRABLE ECONOMIC BURDEN ON PARAGUAY OR OTHERWISE INTERFERE WITH ITS DEVELOPMENT. ON THE CONTRARY, THE PROPOSED CREDIT IS LARGELY DEVELOPMENT-ORIENTED AND FITS IN WELL WITH THE COUNTRY'S OVERALL DEVELOPMENT GOALS.

J. PRESENTLY PARAGUAY'S ARMS PURCHASES FROM THE US AND THIRD COUNTRIES ARE MARGINAL ANZASHOULD HAVE NO BEARING ON THE EXTENSION OF THE PROPOSED FY-1977

CREDIT.
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